

SUBCOMMITTEE NO. 2

Agenda

Byron Sher, Chair
Sheila Kuehl
Bruce McPherson



Thursday, May 22, 2002

1:30 PM

Room 112

Part 2

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Natural Resources Proposed Consent Items

Staff Recommendation: Staff recommends the subcommittee approve the following items as proposed.

1. **Department of Forestry and Fire Protection:** It is requested that Item 3540-001-0001 be increased by \$795,000. This action would restore funding for the Porterville and Ukiah air attack bases that was proposed for elimination in the Governor's Budget. Subsequently, the federal government has announced that it will be pulling four air tankers out of California, including the one based in Porterville. With this action and the continued stress on the state's forests, restoration of this funding will help protect the public and the state's natural resources.
2. **Wildlife Conservation Board: Transfer to the Habitat Conservation Fund—Proposition 50:** It is requested that Item 3640-311-6031 be added in the amount of \$21.0 million to transfer Proposition 50 bond funds to the Habitat Conservation Fund. Proposition 117, which created the Habitat Conservation Fund, requires \$30.0 million be transferred annually from various sources to the Habitat Conservation Fund. If these funding sources cannot fully fund this transfer, the General Fund must provide the balance of funds. The proposed transfers would meet Proposition 117 transfer requirements without the use of General Fund and would consist of the following: \$7.823 million Proposition 99 Unallocated Account within the Cigarette and Tobacco Products Surtax Fund (Proposition 99 Unallocated Account); \$1.177 million Proposition 50 bond funds allocated to the Wildlife Conservation Board (WCB) (see State Coastal Conservancy May Revision Finance Letter, Item 3760-311-6031); \$21.0 million Proposition 50 bond funds allocated to the Coastal Conservancy.
3. **Wildlife Conservation Board: Suspension of the Natural Heritage Preservation Tax Credit.** It is requested that trailer bill language be proposed to amend Section 37022 of the Public Resources Code to suspend the issuance of tax credits by the WCB for the 2003-04 fiscal year related to the Natural Heritage Preservation Tax Credit Act of 2000. This program allows for the donation of property to the State, local agencies, or nonprofit entities in exchange for a tax credit equal to 55 percent of the assessed fair market value of the property. If the approved tax credit exceeds the donor's net tax due for any given year, the donor may carry forward the balance until all of the credit is exhausted. However, no credit may be carried beyond eight years. Based on Franchise Tax Board and Department of Finance estimates, the temporary suspension of this tax credit is estimated to generate \$8.7 million in General Fund revenue for 2003-04. The actual revenue effect beyond the budget year cannot be accurately estimated since the suspension may cause a greater loss in donated properties.
4. **Department of Boating and Waterways.** It is requested that Item 3680-001-0890 be increased by \$1.5 million and that Item 3680-001-0516 be amended to reflect this change for the Coastal Data Information Program. This request would increase federal funding for five years to identify beach and cliff erosions along the Southern California coast and measure storm-generated waves off Pacific Islands.
5. **State Coastal Conservancy: Transfer to the Habitat Conservation Fund (Proposition 50).** It is requested that Item 3640-311-6031 be added in the amount of \$1.177 million to transfer Proposition 50 bond funds to the Habitat Conservation Fund. Budget Bill language is also proposed and is provided on Attachment 1. Proposition 117, which created the Habitat Conservation Fund, requires \$30.0 million be transferred annually from various sources to the Habitat Conservation Fund. If these funding sources cannot fully fund this transfer, the General Fund must provide the balance of funds.
6. **State Coastal Conservancy: Reappropriation language.** Approve the following budget bill language for the Hatton Canyon project and extend the liquidation period through fiscal-year 2006-2007. 3760-491—*Reappropriation, State Coastal Conservancy. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation: Clean Air, and Coastal Protection Bond Fund (1) Item 3760-302-0005 (2) (Z), Budget Act of 2000 (ch. 52, Stats 2002) State Coastal Conservancy: Santa Cruz Depot Project and Tai Property, and (2) Item 3760-302-0005 (2) (BX) State Coastal*

Conservancy: Hatton Canyon—Purchase from CALTRANS, and for both items for other projects consistent with Division 21 of the Public Resources Code in Santa Cruz or Monterey counties

7. **Department of Parks and Recreation Item 3790-301-6029.** The Administration has proposed a May revision proposal to decrease item 3790-301-6029 by a total of \$10.7 million. This proposal deals with capital outlay projects that are funded with Proposition 40 bond funds.
8. **Department of Parks and Recreation: Stanford Mansion State Park.** The Administration proposes to increase reimbursements by \$1.0 million (General Fund) for the Stanford Mansion State Park.
9. **Department of Water Resources: Shift unliquidated CALFED projects to Proposition 50.** The Administration proposes to shift \$5.5 million of unliquidated General Fund monies to Proposition 50 bond funds. The finance letter also proposes to extend the liquidation period for a General Fund appropriation that was made in the 2000 budget act.
10. **Department of Water Resources: Revert Flood Control Subvention Funds.** The Administration proposes to revert \$1.97 million of unliquidated flood control subvention funds to the General Fund.
11. **Department of Water Resources: Shift Federal Royalty Payments to the General Fund.** The Administration proposes to shift \$652,000 (thousand) from the Renewable Resources Investment Fund to the General Fund.
12. **Department of Water Resources: Proposition 50.** The Administration proposes to increase reimbursements by \$175,000 (thousand) with the Department of Health Services for the Drinking Water Quality Program.
13. **CALFED Bay-Delta Authority: Watershed Program.** The Administration proposes to shift \$20.3 million (Proposition 50) from the Bay-Delta Authority to the Water Resources Control Board. The Water Board will now serve as the lead agency for the CALFED Watershed Program. (This item also conforms to the Water Board's May revise proposal to increase its budget by \$20.3 million)
14. **Secretary for Resources and Department of Parks and Recreation: Proposition 50 Accounting Services.** This proposal would shift statewide accounting services from the Secretary's office to the Department of Parks and Recreation. These two finance letters should be modified to reflect this action.

Action: The subcommittee approved the consent calendar as proposed.

Vote: 3-0

0540 Secretary for Resources

Staff Recommendation: Staff recommends the subcommittee delete all funding for the Secretary's office, including the Proposition 50 proposal for River Parkways.

Action: The subcommittee approved the staff recommendation.

Vote: 2-0 (McPherson not voting)

3340 California Conservation Corps

Proposal to Deny the Corps' Reductions

Staff Recommendation: Staff recommends the subcommittee restore \$5.05 million (General Fund) for the following purposes:

- Health benefits for corps members: \$2.3 million
- Operate two fire centers (Butte and La Cima): \$1.9 million
- Local corps contracts: \$846,000

Action: The subcommittee approved the staff recommendation

Vote: 2-1 (Sher, Kuehl "aye")

Capital Outlay-Tahoe Base Center

Staff Recommendation: Staff recommends the following budget bill language:

Provisions:

(8) Funds appropriated in Schedule (2) of this Item shall only be available for expenditure if a related Department of Developmental Services capital outlay project in Schedule (2) of Item 4300-301-0660 is approved by the Legislature.

(9) Site acquisition funds appropriated in Schedule (1) shall be used to acquire a site for the Tahoe Base Center in the Meyers/South Lake Tahoe area.

(10) The Department of Finance shall provide written notification to the Joint Legislative Budget Committee, within ten days of receipt, of any requests for an augmentation of project costs, change in project scope, and any related change in project schedule, for projects identified in Schedules (1) and (2).

Action: The subcommittee approved the staff recommendation

Vote: 3-0

3480 Department of Conservation

Fee increases

Issue: At a previous subcommittee hearing, SB 649 (Kuehl) was proposed as a trailer bill.

Staff Recommendation: Staff recommends the subcommittee approve trailer bill language to increase to existing fees for mining operations to \$4,000 annually, and cap the fees collected for this program at \$3.5 million.

Action: The subcommittee approved the staff recommendation

Vote: 2-1 (Sher, Kuehl "aye")

Finance Letter-Loans from the BCRF and Processing Fee Account

Issue: The Administration proposes the following loans to General Fund:

1. \$70 million from the Beverage Container Recycling Fund
2. \$84 million from Processing Fee Accounts.

Staff Recommendation: Staff recommends the subcommittee approve the finance letter and the following budget bill language for both loans:

Upon written approval of the Director of Finance, funds may be transferred from the Beverage Container Recycling Fund to the General Fund. The transfer made by this item is a loan to the General Fund and shall be fully repaid by June 30, 2009. This loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer. The Controller shall, within 15 working days of receipt of written notification from the Director of Finance, transfer from the General Fund to the Beverage Container Recycling Fund the full amount of the loan or increments thereof as requested by the Director of Finance. It is the intent of the Legislature that the repayment is made so as to ensure that the pro-grams supported by this fund are not adversely affected by the loan.

Upon written approval of the Director of Finance, funds from this loan shall be transferred back to the Beverage Container Recycling Fund in an amount necessary to provide operating funds for support of the Beverage Container Recycling Pro-gram. Once the monthly cash-flow needs of the California Beverage Container Recycling Pro-gram are met, any excess General Fund moneys transferred to the California Beverage Container Recycling Fund during the 2003–04 fiscal year shall revert to the General Fund by June 30, 2004

Action: The subcommittee approved the staff recommendation. The budget bill should be added to both the BCRF loan and the processing fee account loans.

Vote: 3-0

Strong-Motion Instrument and Seismic Hazards Mapping Fund

Background: The Strong Motion Instrumentation Fund and the Seismic Hazards Mapping Fund each receive monies from building fees. Under existing law, 70% of the building fees are deposited in the Strong Motion fund and 30% are deposited in the Seismic Hazards Mapping fund.

Issue: As originally conceived, the Seismic Hazards fund was supposed to receive money from the Residential Earthquake Recovery fund and with that money, both strong motion instrumentation and seismic hazards mapping would have been equally funded. The Residential Earthquake Recovery Fund has dissolved.

Staff Recommendation: Staff recommends the subcommittee approve trailer bill language to merge the Seismic Hazards Mapping fund and the Strong Motion Instrumentation fund to allow the Administration and the Legislature to equitably fund these two seismic hazard identification programs. The Assembly budget subcommittee has already approved this proposal.

Action: The subcommittee approved the staff recommendation. (The language for this proposal will be available next week).

Vote: 3-0

3540 Department of Forestry and Fire Protection

Fire Protection Fees

Issue: The budget proposes approximately \$341 million from the General Fund for support of the fire protection program. The LAO recommends the Legislature approve legislation to fund one-half of the proposed General Fund budget for fire protection on state responsibility areas by imposing fees on property owners who benefit from these services. This would result in a savings of about \$170 million to the General Fund. The LAO also recommends the enactment of legislation to establish a new special fund for the deposit of the fees.

Staff Recommendation: Staff recommends the subcommittee approve trailer bill language to establish new fees to pay for a portion of the fire protection program. The trailer bill language should also include authorization for the department to secure loans from other funds sources if the fee revenues do not materialize in the budget-year. For purposes of sending this issue to conference committee the subcommittee should also approve a \$50 million General Fund reduction to the fire protection program.

Action: The subcommittee approved the staff recommendation to reduce \$50 million from the fire protection program and approve TBL to establish fees for landowners on SRAs. Trailer bill language will be developed by staff, the LAO, and the Administration to establish a pre-acre fee (amount to be determined). The subcommittee's intent is to ensure that landowners do not pay "double fees" (i.e. existing fire protection fees and this new fee).

Vote: 2-1 (Sher, Kuehl "aye")

Funding Timber Harvest Plan Review and other Departmental Programs

Issue: The budget proposes \$23.5 million for timber harvest plan review and enforcement (among various departments). Of this amount, \$13.8 million is allocated to the CDF. Over the past few years the subcommittee has made numerous attempts to improve the overall review and enforcement of timber harvest plans. Due to limited resources, the state currently reviews approximately 12 percent of all timber harvest plans.

Staff Recommendation: Staff recommends the subcommittee approve trailer bill language to establish a 4 percent timber yield fee. For purposes of sending this issue to conference committee, staff recommends the subcommittee approve a \$10 million General Fund reduction to the department's THP enforcement and review.

Action: The subcommittee approved the staff recommendation to reduce the department's budget by \$10 million and approve TBL to establish a 4 percent timber yield fee. This language will be available in counsel form next week.

Vote: 2-1 (Sher, Kuehl, "aye")

Timber Products Fee

Background: Senate Bill 557 (Kuehl) is structured (1) as an alternative to imposing a timber harvest review fee directly on applicants; (2) to replace the \$21 million current General Fund outlay for all departmental reviews of timber harvest plans; (3) to provide funding to increase and improve the reviews of timber harvest plans by all relevant departments; and (4) to provide a revenue stream for the life of the legislation for a variety of restoration and forestry-related projects that would otherwise not be funded.

The revenue source that the bill would generate is imposed by a user fee collected at retail. The fee would be a penny per board foot for dimensional lumber, and a penny a square foot for materials customarily

sold as sheeting, such as plywoods. The Department of Forestry estimates that Californians purchase 10-11 billion board feet of lumber each year. Thus, the penny/board foot has the potential to generate \$100 million annually.

Staff Recommendation: SB 557 is currently moving through the Legislative process. The subcommittee may wish to consider approving SB 557 as a trailer bill.

Action: The subcommittee approved the staff recommendation.

Vote: 2-1 (Sher, Kuehl “aye”).

Computer Aided Dispatch System

Background: In the 2001-02 Budget-Act, the Legislature approved \$10.4 million (General Fund) to the department for the development and implementation of the CAD system. The department originally estimated this project would be implemented over a 5-year period. The budget proposes \$2.6 million from the State Emergency Telephone Number (911) Account to continue the implementation of the CAD system.

Staff Recommendation: Subcommittee 4 has already approved the Administration’s proposal to raise the 911 surcharge account to pay for this item. Staff recommends the subcommittee approve the CAD system as proposed.

Action: The subcommittee approved the staff recommendation.

Vote: 2-1 (Sher, Kuehl “aye”).

Additional Budget Bill Language

Staff Recommendation: Staff recommends the subcommittee approve the following budget bill language:

Item 3540-001-0928

“Notwithstanding any other provision of law, no moneys in this item may be expended for the purpose of preparing or implementing a timber harvesting plan for the Jackson State Demonstration Forest that authorizes clearcutting or other harvest methods that result in the removal in one operation of more than 70% of the average conifer basal area per acre of the dominant or co-dominant trees, as defined in 14 CCR 895.1, within the harvest area.”

Action: The subcommittee approved the staff recommendation.

Vote: 3-0

3600 Department of Fish and Game

Reduction for Timber Harvest Plan Review

Staff Recommendation: Staff recommends the subcommittee deny the Administration’s proposal to reduce \$425,000 (thousand) for timber harvest plan review.

Action: The subcommittee approved the staff recommendation.

Vote: 2-1 (Sher, Kuehl “aye”).

Fee Increases Proposed for the Department

Staff Recommendation: The budget proposes various fee increases to support the department’s budget. Staff recommends the subcommittee approve the Administration’s proposed fees and the following changes. Subcommittee staff these additional fees, separate from those proposed by the Administration, will generate an additional \$186,000.

Proposed Additions for DFG License & Permit Fee Budget Trailer Bill

	<i>Current Fee</i>	<i>Proposed Fee</i>
Fish Importer License	\$400	\$549
Fish Processor License	400	549
Fish Receiver License	400	549
Marine Aquaria Receivers License	1,000	1,373
Fish Business License	1,000	1,373
Fish Wholesaler License	270	371
Fishermen's Retailer	50	69
Aquaculture Registration		
Initial	400	549
Renewal	200	275
Surcharge**	300	412

Action: The subcommittee approved the staff recommendation.

Vote: 2-1 (Sher, Kuehl "aye").

Additional Budget Bill Language

Staff Recommendation: Staff recommends the subcommittee approve the following budget-bill language:

Item 3600-001-200

Except for permits issued to a university, college, governmental research agency or other bona fide scientific institution pursuant to Section 671.1 of Title 14 of the California Code of Regulations, the department shall not authorize the importation of any live transgenic aquatic animal, as defined by Section 1.92 of Title 14 of the California Code of Regulations, nor permit the registration of, or conduct of aquaculture operations to culture such aquatic animals, unless and until all of the following conditions have been met:

(a) The United States Food and Drug Administration explicitly authorizes the use of transgenic aquatic animals for human consumption and other commercial purposes.

(b) The department completes an environmental impact report (EIR) that fulfills the requirements of the California Environmental Quality Act (Division 13 [commencing with Section 21000] of the Public Resources Code), regarding the effects on the native fish and wildlife resources of the state that could result from legalizing commercial importation, transportation, or rearing of, transgenic aquatic animals.

(c) Following the completion of the EIR, the Fish and Game Commission adopts regulations under Section 15005 of the Fish and Game Code, specifying the terms and conditions under which transgenic aquatic animals may be registered and cultured for commercial purposes. At a minimum, such regulations shall include all those terms and conditions contained in Section 671.1 of Title 14 of the California Code of Regulations.

3600-001-0001

Provisions:

No moneys in this item may be expended for support of a recovery strategy pilot program for coho salmon unless both of the following statutory requirements are met: (a) the petitioners for listing coho salmon under the California Endangered Species Act affirmatively concur pursuant to Section 2106 of the Fish and Game Code; and (b) funds have been explicitly appropriated by the Legislature for support of this pilot program in compliance with Section 2115 of the Fish and Game Code.

Action: The subcommittee approved the staff recommendation.

Vote: 3-0

Request to Delete Budget Bill Language

Issue: The subcommittee has received a request on behalf of the United Anglers of Southern California to delete Provision 2, under item 3600-001-0200. This language authorizes the department to utilize fee revenues for other purposes not authorized in existing statute.

Staff Recommendation: Staff recommends the department explain why this language is included in the budget. The subcommittee may also wish to withhold action on this item.

Action: The subcommittee deleted this language from the budget bill.

Vote: 3-0

Wetlands Project Proposal

Staff Recommendation: The subcommittee has received a request to augment the Comprehensive Wetlands Program by \$200,000 and allow the department to contract with the Central Valley Habitat Joint Venture to develop projects.

Staff Recommendation: The subcommittee may wish to consider approving this item if there are available revenues in the Environmental License Plate Fund. If there is not a sufficient fund balance in the ELPF, the subcommittee may wish to approve funding from the General Fund.

Action: The subcommittee approved \$200,000 (thousand) from the Public Resources Account for this item.

Vote: 3-0

Increase for Marine Resource Protection

Background. The subcommittee has received a letter from the Resources Legacy Fund Foundation and from several environmental groups requesting a General Fund augmentation of \$800,000 to fund the Marine Life Preservation Act, a program to promote marine life protection in California coastal and ocean areas.

Staff Recommendation. If the subcommittee believes this program is a priority and should receive General Support, the subcommittee may wish to consider the following budget bill language:

1. Of the funds appropriated \$800,000 shall be available to match private funds for expenditure for activities in support of protection and management of marine resources including: (a) Facilitated regional workshops to identify potential sites for marine reserves, parks and other candidate protected areas, (b) Ecological and socioeconomic studies and data compilation pursuant to the Marine Life Protection Act, and (c) Research, Monitoring and planning efforts necessary to meet the goals of the Marine Life Protection Program.

Action: The subcommittee approved \$800,000 (thousand) from the Environmental License Plate Fund for this item (one-time appropriation only).

Vote: 3-0

3640 Wildlife Conservation Board

May Revise: Transfer to the Natural Resources Infrastructure Fund (NRIF)

The Administration proposes a \$7.9 million transfer from the General Fund to the NRIF to liquidate appropriations made in 2001-02 for the Department of Parks and Recreation and the Air Resources Board.

Tidelands oil revenues are expected to increase by \$34.9 million in 2002-03 and \$24.9 million in 2003-04 over currently budgeted amounts. If these revenues were realized in prior years, these departments would have had the revenue and authority needed to retire these prior obligations. However, since existing statute governing the distribution of these funds was suspended in July 2002, and will sunset in June 2003, this transfer from expected budget year revenues becomes necessary for purposes of liquidation.

The subcommittee has received a letter from the Pacific Coast Federation of Fishermen's Associations (PCFFA), Cal-Trout, American Rivers, and the Northern California Association of River Guides, requesting the Legislature deny the proposed early sunset of tidelands oil revenue allocations governed by SB 271 (Thompson, 1997) on June 30, 2003, instead of 2006. These groups have also requested that the subcommittee add to the 2003 Budget Bill an \$8 million appropriation from these revenues for salmon restoration projects authorized by SB 271. However, subcommittee staff is advised that there is expected to be an unexpended balance of \$4.0 - \$4.5 million remaining from a 2000 Budget Act appropriation from Prop. 13 salmon restoration funds that will revert on June 30 this year.

Staff Recommendation: Staff recommends the subcommittee approve the finance letter with the following changes:

- Delete NRIF/General Fund support for the Department of Parks and Recreation expenditure and substitute with Proposition 40 bonds funds.
- Approve the following reappropriation language to make the unexpended balance of Prop. 13 funds available for expenditure by the Department of Fish and Game for salmon restoration projects:

3600-490-Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balance of the amount appropriated in the following citation is hereby reappropriated for the purposes and subject to the limitations, except as otherwise specified, provided for in that appropriation, and shall be available for expenditure until June 30, 2005:

Provisions:

1. A portion of the funds appropriated by this item may be expended for projects that protect, restore and enhance salmon and steelhead trout fisheries affected by reduced river flows and water quality in the Klamath Basin, including, but not limited to, cooperative projects within the watersheds of the Shasta and Scott Rivers, provided such expenditures are consistent with Section 6217.1 of the Public Resources Code.

Action: The subcommittee approved a compromise proposal to do the following:

1. Approve the May revise finance letter as proposed.
2. Approve reappropriation language (listed above) to shift Prop 13 funds for salmon recovery projects.
3. Approve trailer bill language to extend the sunset provisions established in SB 271

Vote: 3-0

May Revise: Colorado River Regulatory Program

The Administration proposes to add budget bill language directing the allocation of \$10.0 million from Proposition 50 bond funds to the Department of Water Resources for feasibility studies and related expenses to guide the restoration and permanent protection of the wildlife habitat of the Salton Sea. This

item currently contains \$32.5 million for the acquisition, protection and restoration of land and water resources, pursuant to state obligations related to California's allocation from the Colorado River.

Staff Recommendation: Staff Recommends the subcommittee deny the finance letter and approve the following budget bill language:

3640-301-6031

Provisions:

1. The funds authorized in this item for appropriation shall only be available for encumbrance following the execution of the Quantification Settlement Agreement, as specified in Chapter 617, Statutes of 2002, and as specified in SB 317 (Kuehl) and SB 411 (Ducheny).
2. Of the funds appropriated in this item, \$10,000,000 shall be reimbursement to the Department of Water Resources for feasibility studies and related expenses to guide the restoration and permanent protection of the wildlife habitat of the Salton Sea that shall be appropriated to effectuate SB 317 (Kuehl) and SB 411 (Ducheny).

Action: The subcommittee approved the LAO compromise language

Vote: 3-0

New Item

Action: The subcommittee approved TBL to address public disclosure issues and confidentiality agreements. No language is available at the moment, but TBL will be developed in conference committee.

Vote: 3-0

3680 Department of Boating and Waterways

Senate Bill 976

Issue: The subcommittee has been asked to hear SB 976 (Ducheny) and make a recommendation to the full committee for next week's hearing. SB 976 transfers \$5.713 million from the Harbors and Watercraft Fund to the Public Beach Restoration Fund.

Staff Recommendation: Although there are policy issues that need to be resolved, staff recommends the subcommittee approve SB 976 and have the full Budget Committee re-refer the bill to Rules Committee.

Action: The subcommittee will recommend to the full committee approval SB 976.

3720 Coastal Commission

May Revise Proposal

Issue: The Administration is proposing to reduce the commission's budget by \$380,000. The 2003-04 Governor's Budget includes a payment of \$380,000 of federal funds to the Statewide Cost Allocation Plan (SWCAP). The SWCAP funds represent General Fund recoveries of statewide general administrative costs. A federal grant restriction prohibits this SWCAP payment. Therefore, it is necessary to reduce the Commission's General Fund budget by \$380,000 to compensate for the loss of the SWCAP payment. This reduction will not affect the Commission's baseline funding in the 2003-04 Governor's Budget.

Staff Recommendation: Staff recommends the subcommittee reject the Administration's finance letter. The Coastal Commission would also like the subcommittee to approve the following budget bill language:

Consistent with historic practice and to implement California's federally approved coastal management program (CCMP) in a manner that is responsive to recent critical federal evaluations of the CCMP and to ensure that California does not jeopardize its federal consistency review authority and future federal grant funds, the California Coastal Commission shall, without regard to fiscal year, not be subject to the Statewide Cost Allocation Plan.

Action: The subcommittee approved the staff recommendation (deny the finance letter and approve trailer bill language).

Vote: 3-0

3790 Department of Parks and Recreation

May Revise Proposal-Cultural and Historical Endowment

Issue: Consistent with the subcommittee's action from a prior hearing, the Administration has proposed to rescind all funding for the Cultural and Historical Grant Program, and allocate these funds to the Cultural and Historical Endowment. In total \$128.4 million from Proposition 40 will be sent to the Endowment.

Staff Recommendation: Staff recommends the subcommittee approve the finance letter for purposes of being consistent with the Assembly Budget subcommittee's action on this item. However, staff also recommends the subcommittee deny the proposed reduction for artifact conservation (Issue 104, Item 3790-001-6029). The Administration informs staff that this item was inadvertently included in the cultural and historical reduction proposal.

Action: The subcommittee approved the staff recommendation (approve finance and delete the reduction for artifact conservation).

Vote: 3-0

May Revise Proposal-Riverside Off Highway Vehicle Park

Issue: The Administration proposes \$27 million (Off Highway Vehicle Fund) for the acquisition and development of the Riverside Off Highway Vehicle Park. This proposal would allow the department to purchase up to 7100 acres of mitigation lands to obtain permitting rights to develop the OHV park. The subcommittee has received a request to utilize an additional \$22 million from the OHV fund to acquire SVRAs and buffer zones as approved by the OHV commission.

Staff Recommendation: Staff recommends the subcommittee approve the finance letter and approve \$22 million for additional SVRAs and buffer zones.

Action: The subcommittee approved the staff recommendation

Vote: 3-0

Urban Parks Cost Share Waiver

Staff Recommendation: Staff recommends the subcommittee approve budget bill language to waive the 30 percent non-state match requirement for the Roberti-Z'berg-Harris Urban Park Program and the Murray Hayden Grant Program. This language will allow locals to draw down funds that are already available for appropriation.

Action: The subcommittee approved the staff recommendation

Vote: 3-0

Request to Accelerate State Parks Projects

Issue: The subcommittee has received a request to accelerate the delivery of various state parks projects. The proposal would effect the following projects:

1. MacKerricher Pudding Creek Trestle
2. Railroad Technology Museum Rehabilitation and Facilities Plan
3. Donner Memorial New Visitor Center
4. Morro Bay Sewer System
5. Calaveras Big Trees New Visitor Center
6. Chino Hills Entrance Road
7. Sepulveda Adobe

Staff Comments: The subcommittee should have the LAO and the Department of Finance comment on this proposal. The subcommittee should also ask the following questions:

- From what fund source are each of these projects funded?
- What is the status of these projects and why is there a need to accelerate the delivery of the projects?
- How would this proposal effect the Public Works Board process? Specifically would this proposal violate the requirement that Public Works Board review all working plans and drawings before authorizing funds for construction?

Staff Recommendation: Subcommittee staff have no recommendation for this item.

Action: No action taken

Sugar Pine Point Park

Staff Recommendation: Staff recommends the subcommittee rename Sugar Pine Point Park to “Ed Z’berg-Sugar Pine Point Park.

Action: The subcommittee approved the staff recommendation. This action authorizes TBL or BBL if needed to rename the park.

Vote: 3-0

3860 Department of Water Resources

May Revise- Dam Safety Fees

Issue: The Administration proposes to reduce General Fund support for the Dam Safety Program and authorize the department to raise the existing dam safety fees. The Administration estimates that this proposal will save the General Fund \$4.7 million. The Administration also proposes to exempt owners of smaller dams on farms and ranches from this fee increase.

Staff Recommendation: Staff recommends the subcommittee approve the finance letter as proposed.

Action: The subcommittee approved the staff recommendation.

Vote: 2-1 (Sher, Kuehl “aye”)

Proposition 50 Open Issues

Issues: The subcommittee has identified various issues that need to be resolved before approving the Proposition 50 expenditure plan. The subcommittee has yet to act on the following items:

- The overall implementation language needed to establish certain programs within Proposition 50, most notably the Integrated Regional Water Management Program.
- The River Parkways Program (the subcommittee has deleted all funding for the Secretary for Resources), including implementation language to add structure and definition to this program.
- Statewide costs, including the Administration's proposals for a public web site and coordination and audit expenses.
- The LAO's recommendations for oversight and Legislative review, including the application of Control Section 9.45 for all Prop 50 expenditures.
- The Administration's proposal to utilize desalination grant funds.

Staff Recommendation: If the subcommittee believes it is ready to act on any or all of these items, staff recommends the following:

1. Approve trailer bill language to implement various programs within Prop 50.
2. Shift all funding for the River Parkways program to the Wildlife Conservation Board and approve the LAO recommendation to pass trailer bill language that establishes the grant criteria for this program.
3. Shift all funding for the Sierra Nevada-Cascade Mountain program to the Wildlife Conservation board and approve trailer bill language to establish criteria for the program.
4. Withhold approval for the web-site proposal.
5. Approve the LAO recommendation to apply Control Section 9.45 to all WCB expenditures.
6. Approve the Administration's proposal to allocate \$15 million to DWR for desalination projects and staff.

Action: The subcommittee approved the staff recommendation and the LAO proposed SRL.

Vote: 3-0

General Fund Reversion

Background. Chapter 813, Statutes of 1998 appropriated \$235 million from the General Fund to the Colorado River Management Account. Of the amount appropriated \$200 million was earmarked for the lining of the Coachella Branch of the All American Canal. The remaining \$35 million was appropriated to finance and arrange for the installation of recharge, extraction, and distribution facilities for a groundwater conjunctive use program that is not going to be completed.

Staff Recommendation. The subcommittee should ask the Department of Finance about the status of this project. The subcommittee may also wish revert \$35 million from this item to the General Fund.

Action: The subcommittee approved a reversion of \$38 million from the Colorado River Management account to the General Fund. The subcommittee also approved BBL to suspend the remaining unencumbered General Fund transfer to the Colorado River Management account.

Vote: 3-0

3870 CALFED Bay-Delta Authority

May Revise-CALFED User Fee

Issue: The Administration proposes budget bill language that requires the Bay-Delta Authority to establish a broad-based user fee proposal for inclusion in the 2004-05 budget.

The Administration argues that the Record of Decision (ROD) require the adoption of a user fee by 2003. This proposal would require water users to pay a user to finance a portion of the CALFED program.

Staff Recommendation: Although there are policy questions that eventually need to be addressed, staff recommends the subcommittee approve the budget bill language to allow the Bay-Delta Authority to develop a user fee proposal.

Action: The subcommittee approved the staff recommendation

Vote: 2-1 (Sher, Kuehl “aye”)